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the commission in which the railroads have acquiesced. His criticisms are vigorous and unsparing. The demand for a tariff based upon distance will never cease as long as it gives some competitors the advantage over others. The commission from time to time has accepted the distance basis and excluded large bodies of men from trading in certain markets. The making of rates in disregard of distance has been the life of American trade, and one is compelled to wonder what the commission would do with postal charges. Their hostility to "group" or "postage-stamp" rates has been manifested in all parts of the country. Mr. Meyer makes out a strong case for the view that, judging from past rulings of the commission, it would be unwise to place in their hands such enormous power to make mischief. Rate-making power would make them the most powerful officials in the industrial world, placing in control of a political body the fate of cities and of industries. The book concludes:

The verdict of the experience of the countries of continental Europe and of Australia, as well as the verdict of the experience of the United States, under both the federal Interstate Commerce Commission and the several state commissions, is unmistakable. It is impossible for the state to conserve and promote the public welfare by intervening in the regulation of railway rates, beyond the point of seeking to abolish secret personal discriminations, guaranteeing that all rates shall be reasonable *per se*, and providing that those rates which involve the question of relative reasonableness shall embody compromises which were made with intelligence and in good faith.

The author has produced a remarkably clear and forcible book upon a very involved and difficult subject. The boldness of his opinions and the vigor of his criticisms will very likely bring down upon his head the denunciation of more than one person to whom his opinions are politically distasteful, but it will be much easier to denounce him than to answer him.

BLEWETT LEE.

CHICAGO.

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*Trade Unions.* By GEOFFREY DRAGE. London: Methuen & Co., 1905. 8vo, pp. ix + 203.

Almost the last word that we had from English trade-unionism was Mr. Pratt's interesting and — from the trade-union point of view — discouraging book on *Trade Unionism and the Crisis in British*

*Industry*, and a new volume on the subject from England at this time and from a person so intimately and impartially acquainted with the labor movement, as is Mr. Geoffrey Drage, cannot fail to be of interest. Mr. Drage's work, though brief, has the scholarly accuracy that has characterized his former writings. Like them, too, it is well tempered in tone for the author, though known to be in sympathetic relation with the laboring classes and to have a sympathetic attitude toward labor organizations, does not lack the judicial quality of mind, so that when he sets out, as in this volume, "to hold the balance level between the two parties to the labor contract, the employer and the employed, whose relations . . . are better in Great Britain than in any other country in the world," he is able to do so. Mr. Drage does not minimize the importance of his subject, and says at the outset:

The working-classes are taking from day to day a greater interest and a greater share in the government of the British Empire. The trade union is the school in which the pick of these men have learnt the earliest lessons of public life. It has won from them attachment and even a measure of that fond regard with which a great public school inspires its members.

The sections of most interest in the book are those devoted to a discussion of the differences between the so-called "old" and "new" unionism, though it is pointed out that the adjectives are misleading, for the real division between the two classes is not in the dates of their establishment, nor in the nature of their constitution, but in the objects at which they aim and the means which they employ in carrying them out. Old unions, in addition to collective bargaining, "set before their members trade protection and insurance against misfortune," but among the objects of the "new" unions, the function of providing friendly benefits is subordinated to another object, the exercising of direct political influence. Their aim is not so much equality between employer and employed in making the labor contract, an equality to be obtained by collective bargaining only, as—to have the terms of that contract settled for them by legislative action, failing this, by trade union regulation. . . . The preambles to the rules of this class of unions no longer insist upon the means which may be taken by the members to mitigate the evils which attend upon the present conditions of trade, but hold out the hope that at least some of these evils will be entirely removed by a complete reorganization of social and industrial conditions.

This is of great interest as indicating an important trend in an important movement, and it might be noted that American, as well as English unions have come to minimize the friendly benefit feature.

Two questions are pertinent with regard to the subjects of union benefits: (1) Do other agencies exist which will provide these benefits, if the unions fail to do so? (2) Is it right that the insurance of the laboring man should be at the risk of being used as a strike fund, or should the state not compel the separation of the strike and benefit funds so that the latter will be protected for its legitimate use?

With regard to the first question, Mr. Drage would draw a line between funeral, sick, and accident benefits, on the one hand, and "dispute," "out of work," "tramp," "shifting" and superannuation benefits, on the other. The benefits in the first class can be obtained through other societies, but those in the latter class, which provide for the members of a trade while on a strike, unemployed, in search of work, or for expenses of moving to the seat of a more profitable occupation, as well as superannuation benefits, stand on a somewhat different footing and are provided by the unions. With regard to the compulsory separation of strike and benefit funds, the opinion of Mr. Ludlow, late Chief Registrar of Friendly Societies and Trade Unions, is quoted. Mr. Ludlow said before the Royal Commission:

I have already stated that such provision (that is, the compulsory separation of funds) appears to me to be contrary to the essential purpose of a trade union. People must take that risk when they join them—that inasmuch as it exists, as I have stated, for the maintenance and improvement of the condition of the worker, they must take the risk of every individual benefit being made subordinate to that. If they did not choose to take that risk they ought not to join the trade union, but ought to confine themselves to the friendly society.

In connection with this question of benefits, Mr. Drage furnishes a bit of statistical information that is of interest. For eleven years 1892-1902, the one hundred principal unions expended £16,900,000, 61 per cent. of their total expenditure, for unemployment and friendly benefits, 19 per cent. for "dispute" benefits, and the remaining 20 per cent. for working and other expenses.

Many other interesting problems connected with trade-union organization and function are taken up—such as the difficulties in the way of unionizing the unskilled laborer, and the necessity of putting cautious and trustworthy members in positions of power. But the question of most pressing interest, in the light of the "exposures" in the *London Times*, is the influence of the trade union on the development and prosperity of trade. Mr. Drage makes no attempt to excuse "ca' canny," but he says that the errors of the

unions are often due to ignorance and that "the fallacy of the 'labor lump' is not dissimilar to the theory of the wages fund, which once enjoyed a considerable vogue among learned economists." He points out further that the effect of the union on its members is intimately connected with its effect on trade; that "anything that increases the physical and intellectual capacity of the workmen in any trade and raises their moral tone will probably tend to increase their efficiency as producers; in so far as a trade union has this effect, it conduces to the prosperity of the trade. But," Mr. Drage adds, "too great power in the hands of a trade union, resulting in a one-sided regulation of the conditions of employment, would be very injurious to the interests of the trade as a whole."

The treatment of the legal position of unionism is disappointing, and the author adds practically nothing to what has already been said on the subject. The book as a whole, however, is one for which those interested in social problems may well be grateful, for it furnishes a succinct, interesting, and impartial account of one important phase of present-day industrial organization.

EDITH ABBOTT.

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*The Sociological Theory of Capital: Being a Complete Reprint of the New Principles of Political Economy, 1834.* By JOHN RAE, M.A. Edited with Biographical Sketch and Notes by CHARLES WHITNEY MIXTER, Ph.D. New York: The Macmillan Co., 1905. 8vo, pp. lii + 485.

In preparing for publication a reconstructed edition of *The New Principles of Political Economy* by John Rae, the editor has rendered economic science a real service. Through Professor Mixter's essays, previously published, as well as through the words of praise accorded the work of Rae by Edgeworth, Irving Fisher, and others, Rae has become known to contemporary students of political economy as a thinker of real merit, and as a writer deserving attention. But in spite of the essays and the occasional words of praise, the general student of political economy has been without an opportunity to know Rae at first hand, and thus to form a full appreciation. Henceforth so independent, original and strong a writer will surely be increasingly stimulating to economists. Through the general progress of their science those points of view, that spirit and method of economic analysis, that wide knowledge, the result of wide reading and careful